

**APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA**

FEB 24 1989

Date of filing in State Engineer's Office.....

MAR 09 1989

Returned to applicant for correction.....

Corrected application filed.....

MAY 03 1989 under 52965

Map filed.....

The applicant Silver State Mining Corporation

1600 Hudson's Bay Centre

1600 Stout Street

of Denver

Street and No. or P.O. Box No.

City or Town

Colorado 80202-3113

State and Zip Code No.

hereby make.... application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.) Incoroprated in Colorado on July 29, 1979

1. The source of the proposed appropriation is Underground
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is 1.0 second-feet
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet.....

3. The water to be used for Mining, milling and domestic
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated.....

(b) Stockwater, state number and kinds of animals to be watered.....

(c) Other use (describe fully under "No. 12. Remarks").....

(d) Power:

(1) Horsepower developed.....

(2) Point of return of water to stream.....

5. The water is to be diverted from its source at the following point Within the SW¼ NE¼ of Section 1 T.23½ N., R. 49 E., MDB&M at a point from which the NE corner of
Describe as being within a 40-acre subdivision of public survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.

said Section 1 bears N 35° 30' E a distance of 2800 feet.

6. Place of use Within Section 32, 33, 34 T.24N., R.49E.; within sections 2, 3, 4 and 5 Section 6, T.23 ½ N., R. 49E.; and within Sections 2, 3 and the N ½ Section 4 T.23N., R.49E. MDB&M.
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin about January 1 and end about December 31, of each year.
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, distribution system and reclamation cycle
State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works \$75,000

10. Estimated time required to construct works Two (2) years
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use five (5) years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Water will be used for heap leaching and bio-oxidation gold processing and recovery facility associated with expansion of the Tonkin Springs Mine. The annual use from all sources will not exceed 724 acre feet per year.

Timothy M. Dyhr, Welsh Engineering
 By /s/ Timothy M. Dyhr
5400 Equity Ave Suite B
Reno, Nevada 89502

Compared kh/ se bp/se

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

This Permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

No perforations shall be put in the production casing from ground level to 100 feet.

The total combined duty of water under Permits 48707, 48708, 48709, 48893, 48894, 48895, 50930, 50931, 50932, 52463, 52966 and 52968 shall not exceed 201 million gallons annually. (CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, but not to exceed 201 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before August 27, 1990

Proof of completion of work shall be filed on or before September 27, 1990

Application of water to beneficial use shall be made on or before August 27, 1991

Proof of the application of water to beneficial use shall be filed on or before September 27, 1991

Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed _____ IN TESTIMONY WHEREOF, I PETER G. MORROS

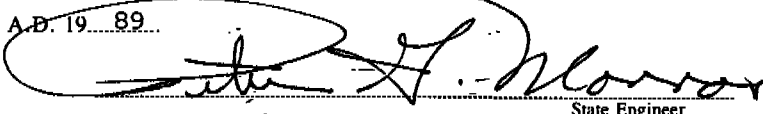
Proof of beneficial use filed _____ State Engineer of Nevada, have hereunto set my hand and the seal of my

office, this 27th day of September,

Cultural map filed _____

A.D. 19 89

Certificate No. _____ Issued _____


 State Engineer

(PERMIT TERMS CONTINUED)

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This permit is issued subject to the agreement between Bureau of Land Management and Silver State Mining dated August 14, 1989.

